



Jon Kyl, Chairman

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## **H.R. 2744 – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2006**

Calendar No. 141

*On June 27, the Appropriations Committee reported H.R. 2744 with an amendment in the nature of a substitute, by a vote of 28-0; S. Rept. 109-92.*

### **Noteworthy**

- H.R. 2744 provides \$100.72 billion in new budget (obligational) authority for FY06, which is \$585.0 million above the Administration's request and \$15.13 billion above the FY05 enacted level. Of this total, \$17.35 billion is discretionary budget authority and \$82.82 billion is mandatory spending.
- H.R. 2744 provides \$1.49 billion for the Food and Drug Administration, which is \$7.7 million below the Administration's request, but \$42.0 million above the FY05 amend level.
- H.R. 2744 provides: \$40.71 billion for the Food Stamp program; \$28.85 billion in reimbursement for the Commodity Credit Corporation; \$5.26 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This total includes a \$125 million reserve.
- H.R. 2744 provides \$1.17 billion for the Cooperative State Research, Education, and Extension Service, including \$652.2 million for research and education activities, \$453.4 million for extension activities, and \$55.8 million for integrated activities.
- H.R. 2744 does not address country-of-origin labeling for food.
- On June 8, the House passed its version of H.R. 2744 by a vote of 408-18.

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## Highlights

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(amount in billions)

<b><u>Title</u></b>	<b><u>President's Request</u></b>	<b><u>Committee Recommendation</u></b>
<b>Title I—Agricultural Programs</b>	\$35.01	\$35.46
<b>Title II—Conservation Programs</b>	\$0.81	\$0.964
<b>Title III—Rural Development Programs</b>	\$2.46	\$2.53
<b>Title IV—Domestic Food Program</b>	\$58.96	\$58.70
<b>Title V—Foreign Assistance</b>	\$1.22	\$1.48
<b><u>Title VI—FDA, Related Agencies</u></b>	<b><u>\$1.60</u></b>	<b><u>\$1.59</u></b>
<b>Total</b>	<b>\$100.13</b>	<b>\$100.72</b>

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## Background

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The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture (USDA). These programs include agricultural research, education, and extension activities; natural resources conservation programs; farm income and support programs; marketing and inspection activities; domestic food assistance programs; rural economic and community development activities, and telecommunications and electrification assistance; and various export and international activities of the USDA.

The bill also provides funding for the Food and Drug Administration (FDA) and the Commodity Futures Trading Commission [CFTC], and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA]. The discretionary spending level is within the subcommittee's (302(b)) allocation for fiscal year 2006.

## **Bill Provisions**

### **Title I – Agricultural Programs**

Title I provides \$35.46 billion for Agricultural Programs, which is \$379.7 million above the Administration's request and \$8.42 billion above the FY05 enacted level.

**Executive Operations:** Provides \$185.2 million for Executive Operations, which is \$14.7 million below the Administration's request and \$7.7 million below the FY05 enacted level.

**Agricultural Research Service:** Provides \$1.27 billion for Agricultural Research Service, which is \$209.7 million above the Administration's request, but \$17.7 million below the FY05 enacted level.

**Cooperative State Research, Education, and Extension Service (CSREES):** Provides \$1.17 billion for CSREES, which is \$149.2 million above the Administration's request and \$5.6 million above the FY05 enacted level.

**Animal and Plant Health Inspection Services:** Provides \$812.8 million for Animal and Plant Health Inspection Services, which is \$47.4 million below the Administration's request and \$269,000 below the FY05 enacted level.

**Agricultural Marketing Service:** Provides \$96.5 million for Agricultural Marketing Service, which is \$5.0 million below the Administration's request, but \$1.8 million above the FY05 enacted level.

**Production, Processing, and Marketing:** Provides \$5.02 billion for Production, Processing, and Marketing, which is \$400.6 million above the Administration's request and \$55.2 million above the FY05 enacted level.

**Farm Assistance Programs:** Provides \$1.59 billion for Farm Assistance Programs, which is \$20.9 million below the Administration's request, but \$62.6 million above the FY05 enacted level. Included within this funding is \$468.0 million for the **Agricultural Credit Insurance Fund**.

**Federal Crop Insurance Corporation:** Provides \$3.16 billion for the Federal Crop Insurance Corporation, which is equal to the Administration's request, but \$935.7 million below the FY05 enacted level.

**Commodity Credit Corporation Fund:** Provides \$25.69 billion for the Commodity Credit Corporation Fund, which is equal to the Administration's request and \$9.24 billion above the FY05 enacted level.

## **Title II – Conservation Programs**

Title II provides \$964.0 million for Conservation Programs, which is \$149.6 million above the Administration's request, but \$27.9 million below the FY05 enacted level.

**Natural Resources Conservation Service:** Provides \$963.2 million for Natural Resources Conservation Service, which is \$149.6 million above the Administration's request, but \$27.9 million below the FY05 enacted level. Included within this funding is \$819.6 million for Conservation Operations.

## **Title III – Rural Development Programs**

Title III provides \$2.53 billion for Rural Economic Community Development Program, which is \$76.3 million above the Administration's request and \$120.7 million above the FY05 enacted level.

**Rural Development:** Provides \$869.9 million for Rural Development, which is \$180.3 million above the Administration's request and \$12.3 million above the FY05 enacted level.

**Loan Authorizations:** Provides \$4.93 billion in Loan Authorizations, which is \$37.9 million below the Administration's request, but \$244.3 million above the FY05 enacted level.

**Loan Subsidies:** Provides \$212.5 million for Loan Subsidies, which is \$23.2 million above the Administration's request, but \$13.9 million below the FY05 enacted level.

**Rural Housing Insurance Fund (RHIF):** Provides \$1.33 billion for the RHIF, which is \$26.3 million above the Administration's request and \$73.0 million above the FY05 enacted level.

**Rural Housing Service:** Provides \$1.47 billion for the Rural Housing Service, which is \$155.4 million below the Administration's request, but \$101.9 million above the FY05 enacted level.

**Rural Development Loan Fund:** Provides \$21.4 million for the Rural Development Loan Fund, which is equal to the Administration's request and \$1.4 million above the FY05 enacted level.

**Rural Business-Cooperative Service:** Provides \$86.8 million for the Rural Business-Cooperative Service, which is \$29.4 million above the Administration's request and \$3.0 million above the FY05 enacted level.

**Rural Utilities Service:** Provides \$105.6 million for the Rural Utilities Service, which is \$22.0 million above the Administration's request and \$3.4 million above the FY05 enacted level. In addition, a loan authorization level of \$6.75 million is provided.

## **Title IV – Domestic Food Programs**

Title IV provides \$58.70 billion for Domestic Food Programs, which is \$255.0 million below the Administration's request, but \$6.21 billion above the FY05 enacted level.

**Child Nutrition Program:** Provides \$12.41 billion for the Child Nutrition Program, which is \$4.0 million below the Administration's request, but \$630.0 million above the FY05 enacted level.

**Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):** Provides \$5.30 billion for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is \$253.0 million below the Administration's request, but \$22.0 million above the FY05 enacted level.

**Food Stamp Program:** Provides \$40.71 billion for the Food Stamp Program, which is equal to the Administration's request and \$5.56 billion above the FY05 enacted level.

**Commodity Assistance Program:** Provides \$180.0 million for Commodity Assistance Program, which is \$2.0 million above the Administration's request and \$2.6 million above the FY05 enacted level.

**Nutrition Program Administration:** Provides \$141.0 million for Nutrition Program Administration, which is equal to the Administration's request and \$2.0 million above the FY05 enacted level.

## **Title V – Foreign Assistance and Related Programs**

Title V provides \$1.48 billion for Foreign Assistance and Related Programs, which is \$264.1 million above the Administration's request, but \$37.0 million below the FY05 enacted level.

**Salaries and Expenses, Direct Appropriation:** Provides \$148.0 million for Salaries and Expenses, Direct Appropriation, which is \$1.0 million below the Administration's request, and \$11.1 million above the FY05 enacted level.

**Public Law 480 Program and Grant Accounts:** Provides \$1.20 billion for Public Law 480 Program and Grant Accounts, which is \$265.0 million above the Administration's request, but \$63.0 million below the FY05 enacted level.

**CCC Export Loans Program Account:** Provides \$5.3 million for CCC Export Loans Program Account, which is equal to the Administration's request and \$891,000 above the FY05 enacted level.

## **Title VI – Related Agencies and Food and Drug Administration**

Title VI provides \$1.59 billion for Related Agencies and Food and Drug Administration, which is \$8.7 million below the Administration's request, but \$46.7 million above the FY05 enacted level.

**Food and Drug Administration:** Provides \$1.49 billion for the Food and Drug Administration, which, is \$7.7 million below the Administration's request, but \$42.0 million above the FY05 enacted level.

**Commodity Futures Trading Commission:** Provides \$98.4 million for Commodity Futures Trading Commission, which is \$1.0 million below the Administration's request, but \$4.8 million above the FY05 enacted level.

**Farm Credit Administration:** Provides a limitation on administrative expenses of \$44.3 million, which is \$1.9 million above the FY05 enacted level.

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## **Administration Position**

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A Statement of Administration Policy (SAP) concerning H.R. 2744 as reported by the Senate Appropriations Committee was not available at press time.

On June 7, the Administration released a SAP on the House-reported bill, H.R. 2744. The Administration supported House passage of H.R. 2744, and looks forward to working with Congress to ensure that the FY06 appropriations bills do not exceed the **\$843 billion discretionary funding level** contained in the FY06 Budget Resolution, as amended by the July 14, 2005, request for additional funds for Veterans Affairs medical care. **(The President's Budget includes over 150 program savings and reforms and was the first to propose reducing non-security discretionary spending since the Reagan Administration.)** In the SAP to the House-reported bill, the Administration offered its views on several provisions, including drug re-importation, Special Supplemental Food Program for Woman, Infants, and Children (WIC), Food and Agriculture Defense Initiative, multifamily housing programs, wetlands Reserve Program, and competitive sourcing.

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## Cost

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The Committee, in consultation with the Congressional Budget Office, estimates the bill provides \$17.35 billion in FY06 discretionary budget authority; \$18.80 billion in discretionary outlays (which includes outlays from prior-year budget authority); \$82.82 billion in mandatory budget authority; and \$49.63 billion in mandatory outlays for FY06.

H.R. 2744 would result in the following outlays:

FY 2006	\$57.72 billion <sup>1</sup>
FY 2007	\$8.897 billion
FY 2008	\$1.007 billion
FY 2009	\$0.136 billion
FY 2010	
(and future years)	\$0.051 billion

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## Possible Amendments

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A number of amendments are expected:

**Specialty Crop Block Grant:** During the committee markup, several Senators expressed concern regarding the specialty crop block grant program.

**Country-of-origin labeling:** The bill makes no mention of country-of-origin labeling for food. The House version includes a one-year delay in mandatory labeling of meat products, which, along with fruit and vegetable labeling, is set to take effect in October.

**Re-importation:** The House legislation also includes a provision to bar the FDA from enforcing its ban on prescription drug imports. The Senate version does not address the issue.

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<sup>1</sup> Excludes outlays from prior-year budget authority.